DEFERRAL AGREEMENT
Broad Brook Mill Site

This is a Deferral Agreement ("Agreement") between the U.S. Environmental Protection Agency ("EPA") and the State of Connecticut Department of Environmental Protection ("DEP" or the "State") (hereinafter EPA and DEP are collectively referred to as the "Parties") regarding response actions which shall be taken in response to the release or threat of release of hazardous substances at the Broad Brook Mill Site (the "Site"), formerly known as the Millbrook Condominiums Site, located in East Windsor, Connecticut. This Agreement adheres to the "Guidance on Deferral of NPL Listing Determinations While States Oversee Response Actions," OSWER Directive 9375.6-11 (May 3, 1995) ("Deferral Guidance").

I. Background

EPA has determined that there has been a release or threat of release of hazardous substances at or from the Site. A Hazard Ranking System ("HRS") package was developed, and the Site was proposed to the Superfund National Priorities List ("NPL") (65 Fed. Reg. 75215 (December 1, 2000)) pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. §§ 9601 *et seq*. Prior to the proposed listing of the Site, DEP was the lead agency. On March 26, 1996, the Commissioner of DEP issued Order No. SRD-069 to twelve (12) Respondents ordering them to investigate and remediate the Site. On September 30, 1996, the Commissioner of DEP entered into a consent order with Respondent United Technologies Corporation, Hamilton Standard Division (now also known as, and hereinafter referred to as, "Hamilton Sundstrand Corp.") whereby Hamilton Sundstrand Corp. conducted an investigation which characterized the extent and degree of soil, surface water and ground water pollution on and emanating from the Site. DEP and Hamilton Sundstrand Corp. shared the results of that investigation with the Town of East Windsor, the owners of the Site, and other interested parties at public meetings. On September 3, 1998 and on April 4, 1999, the Commissioner of DEP entered into Consent Orders Nos. SRD-104 and SRD-104 Modified with Aluminum Company of America, John Bartus and James R. Testa d/b/a Broad Brook Center Associates, and Hamilton Sundstrand Corp. (the "Participating Respondents"), wherein the Participating Respondents agreed to fund DEP's purchase of twenty-one (21) residential condominium units and these units' mill building and associated common property located on the Site. Agreement, however, could not be reached between DEP and the owners of the Site on the purchase of the twenty-one (21) units and these units' mill building and associated common property. On September 23, 1999, the Commissioner of DEP revoked Order No. SRD-069. Accordingly, with a letter of support from the Governor of Connecticut, EPA proposed the Site for listing to the NPL. Following the proposed listing of the Site, DEP and Hamilton Sundstrand Corp. have agreed to provide for the Site's long-term cleanup in a manner that is acceptable to the owners of the Site, the community, and EPA. EPA, DEP, Hamilton Sundstrand Corp., and the owners of the Site contemplate that the ownership interests of the twenty-one (21) condominium units and these units' mill building and associated common property will be transferred to allow for the relocation of the mill building residents in order to facilitate the cleanup of the Site as part of the deferral process.

II. Purpose

The purposes of this Agreement are: to outline a mechanism to ensure a prompt CERCLA-protective cleanup of the Site; to define the level of DEP and EPA involvement necessary to ensure adequate remediation of the Site; and to defer the process of finalizing the listing of the Site on the NPL in favor of a cleanup under the authority of the State's statutory, regulatory and administrative provisions. In accordance with this Agreement, EPA intends to defer further consideration of the Site for listing on the NPL while DEP requires Hamilton Sundstrand Corp. to conduct response actions funded by Hamilton Sundstrand Corp. and DEP. Once the necessary response actions at the Site are successfully completed, EPA will have no further interest in finalizing the listing for the Site, unless EPA receives new information of a release or potential release that poses a significant threat to human health or the environment which is not adequately addressed under State authority. In addition, when DEP certifies that the response actions are completed to the satisfaction of EPA, and provided that this Agreement has not been terminated as provided in Section VII. below, EPA will withdraw the proposed NPL listing of the Site.

III. State Authority and Capacity to Ensure a CERCLA-Protective Cleanup

The State has adequate state authority under the Title 22a of the Connecticut General Statutes and the Connecticut Remediation Standard Regulations (Sections 22a-133k-1 through 22a-133k-3 of the Regulations of Connecticut State Agencies) to ensure that response actions at the Site are carried out and that these actions are protective of human health and the environment. The State confirms through this Agreement that it has sufficient capabilities, resources, and expertise to ensure that a CERCLA-protective cleanup will be conducted, and to coordinate with EPA, other interested agencies, and the public on the various phases of such cleanup.[1] It is expected that the Connecticut Remediation Standard Regulations are CERCLA-protective at this Site. On or about the date of entry of this Agreement, the State has issued or will issue an enforceable Consent Order (Consent Order No. SRD-154) (hereinafter "Consent Order" or "enforceable Consent Order," attached to this Agreement as Appendix A), whereby Hamilton Sundstrand Corp. will perform, among other things, the remedial action at the Site.

IV. Site Eligibility

A. State Interest—The State has requested that the process of finalizing the NPL listing of the Site be deferred while the long-term remedial action is addressed under the authority of the State's statutory, regulatory and administrative provisions.

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[1]The criteria which define a "CERCLA-protective cleanup," as used in this Agreement, and in accordance with the Deferral Guidance, are set forth in Section V.A.4. below.

B. CERCLIS Listing and NPL Caliber—The Site is included in the CERCLIS inventory (CERCLIS ID No. CT0002055887) and has been assessed and scored for listing on the NPL. After an HRS package was developed, on December 1, 2000, the Site was proposed to be added to the NPL.

C. Viable and Cooperative PRPs—As discussed in Section III. above, Hamilton Sundstrand Corp. has entered into an enforceable Consent Order with the State to perform the remedial action (including providing for operation and maintenance) at the Site. In addition, Hamilton Sundstrand Corp. has agreed to reimburse EPA for past response costs and all future response costs related to this Site (CERCLA Section 122(h)(1) Agreement for Recovery of Past and Future Response Costs, U.S. EPA Region 1 Docket No. CERCLA-01-2003-0014, attached to this Agreement as Appendix B).

D. Timing—While a site-specific HRS package was developed and the Site has been proposed for listing on the NPL, the listing process should nonetheless be halted because the State has provided a compelling argument for a cleanup under the authority of the State's statutory, regulatory and administrative provisions. The State has provided adequate assurance that the threats to public health and the environment at the Site will be addressed sooner than, and at least as quickly as, EPA would expect to respond. Moreover, the performance of the remedial action under State authority will ensure the timely and effective relocation of residents from the twenty-one (21) condominiums located on the Site. Because the Parties contemplate the transfer of the Site properties as part of the deferral process, this Agreement shall become effective upon the transfer of all interests in the Site, including ownership interests of the twenty-one condominium units and these units' mill building and associated common property.

E. Community Acceptance—The State and EPA have taken appropriate steps to inform the affected community and other affected parties of this deferral. The State and EPA have explained to the community and other parties any differences between a response action under this Agreement and a response conducted under the CERCLA and the National Oil and Hazardous Substances Pollution Contingency Plan ("NCP"), 40 C.F.R. Part 300. In addition, the State and EPA have documented their interactions with the community and have determined that sufficient community acceptance exists to support this decision to defer the Site's NPL listing.

V. Terms and Conditions

A. Roles and Responsibilities of the Lead Agency—The State is the lead agency to provide for a timely and CERCLA-protective cleanup and to support the public's right of participation in the decision-making process. As the lead agency, DEP has the following responsibilities:

1. DEP shall enforce Consent Order No. SRD-154, which requires Hamilton Sundstrand Corp. to prepare a summary of the Site investigation (as described in Section I. above), evaluate the options for remediating all releases at the Site in accordance with the Connecticut Remediation Standard Regulations and applicable or relevant and appropriate Federal and State requirements, and propose a preferred remedial action plan for the Site. Consent Order No. SRD-154 also requires Hamilton Sundstrand Corp. to implement, operate, monitor and maintain the remedy approved by DEP.

2. DEP shall require Hamilton Sundstrand Corp. to submit a copy of all documents and notifications required by Consent Order No. SRD-154 simultaneously to EPA.

3. DEP shall provide EPA with an opportunity for review and comment on all documents required by Consent Order No. SRD-154 prior to the approval of such documents.

4. DEP shall utilize its own statutory and regulatory authorities to set standards for the remedial action at the Site. The Parties agree to work cooperatively to obtain a response action that will be substantially similar to a response required under CERCLA. More specifically, the response action will meet the following criteria which define a CERCLA-protective cleanup:

a. The response action will be considered CERCLA-protective if it is protective of human health and the environment, as generally defined by a 10^{-4} to 10^{-6} risk range for carcinogens, a hazard index of 1 or less for non-carcinogens, and ecological risk requirements as defined by RSCA § 22a-133k-2(i), and will be reliable over the long term.

b. To be considered CERCLA-protective, the remedy selected must comply with all applicable Federal and State requirements and provide a level of protectiveness comparable to relevant and appropriate Federal requirements for the Site.

EPA will provide assistance to DEP in identifying applicable or relevant and appropriate Federal requirements, including interpreting CERCLA requirements, as described in Section V.B.1. below. DEP retains the responsibility and discretion to identify and comply with applicable or relevant and appropriate State requirements, including those that are more stringent than Federal requirements.

5. DEP shall ensure community participation in a manner comparable to the public involvement required under CERCLA. DEP shall ensure that the following actions are undertaken:

a. DEP shall ensure that the affected community, EPA and other interested parties will be provided adequate notice of the proposed remedial action plan.

b. DEP shall ensure that the proposed remedial action plan will be

described and presented for comment at a public hearing.

c. DEP shall make available all documents in support of the proposed remedial action plan at DEP's offices and at a location near the Site.

d. DEP shall give the public an opportunity to provide comments on the proposed remedial action plan within at least thirty (30) calendar days of the public notice of the availability of the administrative record.

e. DEP shall consider, and prepare a response to, significant comments received on the proposed remedial action plan within sixty (60) days after the close of the public comment period.

6. DEP shall ensure that the approved remedial action plan is performed by Hamilton Sundstrand Corp. in accordance with the schedule and conditions set forth in the Consent Order (attached to this Agreement as Appendix A).

7. DEP has the responsibility for communications with Hamilton Sundstrand Corp. concerning its performance under the Consent Order.

8. DEP shall ensure that, every five years following the initiation of the remedial action work, if the remedial action results in hazardous substances, pollutants, or contaminants remaining at the Site above levels that allow for unlimited use and unrestricted exposure, Hamilton Sundstrand Corp. prepare a report on whether the remedy is protective of human health and the environment. The report shall examine the following three questions:

a. Is the remedy functioning as intended by the decision documents?

b. Are the exposure assumptions, toxicity data, cleanup levels, and remedial action objectives used at the time of the remedy selection still valid?

c. Has any other information come to light that could call into question the protectiveness of the remedy?

The sole purpose of the report is to evaluate the implementation and performance of the remedy in order to determine if the remedy is or will be protective of human health and the environment; the evaluation of newly available remedial technologies for possible implementation is not required. If the remedy is determined to be not protective, DEP shall ensure that Hamilton Sundstrand Corp. implement steps to make the remedy protective of human health and the environment.

9. Once DEP considers the remedial action to be complete, DEP shall certify to EPA and the affected community that the remedial action, performed by Hamilton Sundstrand Corp. pursuant to Consent Order No. SRD-154, has been successfully completed and has achieved the intended cleanup levels. As part of the certification, DEP shall submit to EPA response action completion documentation substantially similar to that described in the January 2000 OSWER Directive "Close Out Procedures for National Priorities List Sites" (OSWER Directive 9320.2-09A-P).

B. Roles and Responsibilities of the Support Agency—EPA is the support agency for the remedial action at the Site. As the support agency, EPA has the following responsibilities:

1. EPA has provided DEP and Hamilton Sundstrand Corp. with a list of all applicable or relevant and appropriate Federal requirements and other criteria, advisories, or guidance to be considered.

2. EPA shall attend all public meetings and provide comments on documents required to be submitted under the Consent Order pursuant to Section V.E.

3. EPA may request, and shall receive, from DEP copies of other reports, data or documentation, as it deems appropriate, under this deferral.

4. Upon receiving certification from the State that the remedial action, performed by Hamilton Sundstrand Corp. pursuant to Consent Order No. SRD-154, has been successfully completed and has achieved the intended cleanup levels, and upon determining that the cleanup is CERCLA-protective, EPA shall withdraw the proposed NPL listing of the Site in accordance with NPL deletion criteria described in the January 2000 OSWER Directive "Close Out Procedures for National Priorities List Sites" (OSWER Directive 9320.2-09A-P). A site may be deleted from the NPL when no further response is appropriate, i.e., when all removals and remedial actions are completed. Operation and Maintenance ("O&M") is not defined as a response by the NCP; therefore, a site in O&M can be deleted.

5. Based upon reports provided by Hamilton Sundstrand Corp. or DEP, if a sufficient showing has been made, EPA shall make a determination that no hazardous substances, pollutants, or contaminants remain on site above levels that allow for unlimited use and unrestricted exposure.

C. Points of Contact—Whenever, under the terms of this Agreement, written notice is required to be given or a report or other document is required to be sent or submitted by one Party to the other, it shall be directed to the Project Coordinators at the addresses specified below, unless those individuals or their successors give notice of a change to the other Party in writing.

EPA Project Coordinator: Anni Loughlin
Remedial Project Manager
Office of Site Remediation and Restoration
U.S. Environmental Protection Agency
1 Congress Street, Suite 1100 (HBT)
Boston, MA 02114-2023

DEP Project Coordinator: Maurice Hamel
CT DEP
Waste Management Bureau
Remediation Section
79 Elm Street
Hartford, CT 06106-5127

D. Documentation—DEP will report to EPA at least annually on whether the Terms and Conditions in this Agreement are being met, including the status of the process and any anticipated delays in meeting the schedule. DEP will report to EPA at least semi-annually on any difficulties it is having meeting the Terms and Conditions of this Agreement.

E. Coordination/Review Processes—

1. If EPA chooses to comment on any document required to be submitted by Hamilton Sundstrand Corp. under the Consent Order, EPA shall submit comments to DEP within fifteen (15) working days of receipt of the document unless another period is agreed to by the Parties.

2. DEP shall, within fifteen (15) working days of receipt of EPA's comments, provide in writing to EPA a rationale whenever EPA's comments are not included in the comments provided to Hamilton Sundstrand Corp. EPA's review comments submitted to DEP shall include disclaimer language that specifies that EPA's review and comment on documents does not constitute EPA concurrence on any and all points contained in the document and EPA concurrence is not a prerequisite to DEP approval of any or all documents submitted pursuant to the Consent Order.

F. Natural Resource Trustees—By a letter dated August 31, 2001, DEP notified the U.S. Department of Commerce's National Oceanic and Atmospheric Administration and the U.S. Department of Interior (hereinafter collectively referred to as the "Trustees"), as Federal trustees for natural resources of discharges or releases that are injuring or may injure natural resources related to the Site, of the proposed deferral. On or about the date of entry of this Agreement, the Trustees, the State, United Technologies Corporation, Hamilton Sundstrand Corp., and the

Aluminum Company of America (now also known as ALCOA) entered into a Tolling Agreement for Broad Brook Mill Site, East Windsor, Connecticut, in order to toll any statute of limitations with respect to actions for natural resource damages.

VI. Effect of Agreement

EPA recognizes that, on or about the date of entry of this Agreement, DEP has issued or will issue an enforceable Consent Order to remediate the Site with the consent of Hamilton Sundstrand Corp. who may be liable, under CERCLA, for the costs of the response actions taken and to be taken at the Site. This Agreement is intended to benefit only DEP and EPA. It extends no benefits or rights to any party, including potentially responsible parties, not a signatory to this Agreement.

Notwithstanding any provision of this Agreement, EPA and the State retain all authority and reserve all rights to take any and all response actions authorized by law.

The State shall not seek reimbursement from the Hazardous Substance Superfund, established by 26 U.S.C. § 9607, for expenses incurred under this Agreement, nor shall the State seek credit for any state cost-share requirement for any remedial action under 40 C.F.R. §§ 35.6285 & 300.510 for any response costs associated with this Site.

VII. Modification and Termination

This Agreement may be modified at any time upon agreement of the Parties. Minor modifications, such as a delay to the schedule for performance which is not protracted, may be adjusted by the joint authority of the Project Coordinators without a formal agreement. Changes that significantly alter the Terms and Conditions of this Agreement shall necessitate an agreement in writing by the signatories of this Agreement or their successors.

If, at anytime during the performance of or upon completion of the response action, EPA determines that the response is not CERCLA-protective as defined in Section V.A.4. above, is unreasonably delayed, or does not adequately address the affected community's concerns, EPA may terminate this Agreement, after thirty (30) days written notice to the State. EPA agrees to meet with the State to discuss termination within this thirty-day period with the goal of avoiding termination if possible. EPA may also terminate this Agreement if, after the State has used Best Efforts to enforce the Consent Order, Hamilton Sundstrand Corp. fails to comply with the terms of the Consent Order. "Best Efforts" shall mean all necessary actions, including appropriate legal action, taken by the State to enforce the Consent Order. In addition, EPA may terminate this Agreement and implement an emergency or time-critical response action without thirty (30) days notice to the State if such actions are determined necessary. The State may choose at any time, after thirty (30) days written notice to EPA, to terminate this Agreement for any reason.

If, prior to the withdrawal of the proposed NPL listing of the Site, the response action is determined by EPA not to be CERCLA-protective upon termination of this Agreement, then EPA will consider taking any necessary response actions pursuant to CERCLA, including compelling PRPs to perform response actions, and continuing the Federal rule-making process for finalizing listing of the Site on the NPL. EPA and the State will coordinate efforts to notify the community and PRPs of the termination of this Agreement. At EPA's request, the State will provide all information in its possession regarding the Site to EPA.

This Agreement will terminate upon EPA's determination that no hazardous substances, pollutants, or contaminants remain on site above levels that allow for unlimited use and unrestricted exposure.

In addition, EPA and the State may terminate this Agreement upon mutual consent.

VIII. Effective Date

If any or all interests in the Site, including the ownership interests of the twenty-one condominium units and these units' mill building and associated common property, fail to be transferred by September 1, 2004, then this Agreement is voidable at the sole discretion of any Party and the terms of this Agreement may not be used as evidence in any litigation concerning any of the Parties. Should the transfer of all interests in the Site be completed subsequent to the date referenced herein, the right of any Party to void this Agreement shall expire upon the completion of such transfer.

Following the undersigned signatures of EPA and State representatives on this Agreement, the effective date of this Agreement is the date of transfer of all interests in the Site, including the ownership interests of the twenty-one condominium units and these units' mill building and associated common property. DEP shall ensure that Hamilton Sundstrand Corp. provide it and EPA with copies of the deeds evidencing the transfer of all interests in the Site.

IX. Signatories

Each undersigned representative of the U.S. Environmental Protection Agency and the State of Connecticut Department of Environmental Protection certifies that he or she is authorized to enter into the terms and conditions of this Deferral Agreement and to execute and bind legally such Party to this document.

THE UNDERSIGNED PARTY enters into this Deferral Agreement regarding the Broad Brook Mill Site.

FOR THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

Date: 12-8-03

Robert W. Varney
Regional Administrator
EPA Region 1–EPA New England
U.S. Environmental Protection Agency
1 Congress Street, Suite 1100 (RAA)
Boston, MA 02114

THE UNDERSIGNED PARTY enters into this Deferral Agreement regarding the Broad Brook Mill Site.

FOR THE STATE OF CONNECTICUT

Date: December 3, 2003

Arthur J. Rocque, Jr.
Commissioner
State of Connecticut
Department of Environmental Protection
79 Elm Street
Hartford, CT 06106

Appendix A

STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION

STATE OF CONNECTICUT :
V. :
HAMILTON SUNDSTRAND CORPORATION :

CONSENT ORDER

A. With the agreement of Hamilton Sundstrand Corporation ("Respondent"), the Commissioner of the Department of Environmental Protection ("the Commissioner") finds:

1. This Consent Order concerns certain real property located at Brookside Drive and 110-112 Main Street in East Windsor ("the Site").

2. The Respondent engaged in one or more of the following activities at the Site:

   a. storage of material and equipment;
   b. operation of a machine shop;
   c. manufacture of printed circuit boards;
   d. operation of a wastewater treatment plant to treat electroplating wastewater;
   e. operation of a paint spray booth;
   f. operation of a boiler;
   g. manufacture of boron filament and boron composites;
   h. operation and maintenance of petroleum under ground storage tanks, and
   i. operation of plastic injection molding equipment.

3. On February 10, 1997 and May 1, 1998, Respondent submitted reports describing the investigations performed documenting the extent and degree of soil, surface water and ground water pollution ("the Remedial Investigation Reports"). The reports summarize in detail the investigations performed; identify the type, quantity and location of all wastes on Site; and define the existing and potential extent and degree of soil, surface water and ground water pollution which is on, is emanating from or has emanated from the Site. These reports were shared with the owners of the Site and any interested parties at public meetings. These reports were approved by the Commissioner on May 13, 1999.

4. By virtue of the above, Respondent has created a facility or condition which reasonably can be expected to create a source of pollution to the waters of the state.

5. On December 1, 2000, the United States Environmental Protection Agency (EPA) proposed the listing of the Site on the National Priorities List (NPL) as the Broad Brook Mill Superfund Site.

6. In May 2002 and November 2002, EPA and the Commissioner provided Hamilton Sundstrand a list of applicable or relevant and appropriate Federal and State requirements and other criteria, advisories, or guidance to be considered (collectively known as "ARARs").

7. On or about the date of entry of this Consent Order, EPA and the State of Connecticut have entered or will enter into a Deferral Agreement for the Site. This agreement designates the State as the lead agency for this Site, allowing the Site to be addressed under State law.

8. By agreeing to the issuance of this Consent Order, the Commissioner and Respondent make no admission of fact or law with respect to matters asserted herein.

B. Contingencies.

1. If any or all interests in the Site, including ownership interests of the twenty-one condominium units and these units' mill building and associated common property, fail to be transferred by September 1, 2004, then this Consent Order is voidable at the sole discretion of any Signatory and the terms of this Consent Order may not be used as evidence in any litigation concerning any of the Signatories. Should the transfer of all interests in the Site be completed subsequent to the date referenced herein, the right of any Signatory to void this Consent Order shall expire upon the completion of such transfer.

2. In the event that the Respondent, or any affiliated person, sell or rent some or all of the Site, to the extent the State has funded the remedial actions as provided in paragraph C.1.e., the Respondent shall ensure that any proceeds of the sale or rental, minus reasonable expenses, shall first be used to reimburse the State for the State's contribution pursuant to paragraph C.1.e. to the remediation of pollution on the Site that was not created by Respondent. This reimbursement obligation shall not apply to any subsequent purchaser of all or part of the Site, provided such purchaser is not and has not been in any way affiliated with any person responsible for such pollution or source of pollution, including the Respondent, through any direct or indirect familial relationship or any contractual, corporate or financial relationship.

C. With the agreement of the Respondent, the Commissioner, acting under Section 22a-6, 22a-424, and 22a-432 of the Connecticut General Statutes, orders Respondent as follows:

1.

a. Respondent has retained Loureiro Engineering Associates, Inc. ("LEA") to prepare the documents and oversee the actions required by this Consent Order. Respondent shall retain LEA or other qualified consultants acceptable to the Commissioner until this Consent Order is fully complied with, and, within ten days after retaining any consultant other than LEA, Respondent shall notify the

Commissioner and EPA in writing of the identity of such other consultant. Respondent shall submit to the Commissioner and EPA a description of a consultant's education, experience and training which is relevant to the work required by this Consent Order within ten days after a request for such a description. Nothing in this paragraph shall preclude the Commissioner from finding a previously acceptable consultant unacceptable.

b. On or before 30 days from the effective date of this Consent Order, Respondent shall submit for the Commissioner's review and approval a plan for allowing any other interested party to provide comments on the proposed Remedial Action Plan in a manner consistent with the public involvement requirements under CERCLA ("Community Involvement Plan"). Such Community Involvement Plan shall include a description of the roles and responsibilities of Respondent and the Commissioner as well as a schedule for conducting public involvement activities prior to the Commissioner's decision regarding the Remedial Action Plan submitted pursuant to paragraph C.1.c. Respondent shall perform the requirements of the Community Involvement Plan as part of this Consent Order.

c. On or before 60 days from the effective date of this Consent Order, Respondent shall submit for the Commissioner's review and written approval a report which: summarizes the results of the remedial investigation described in paragraph A.4.; evaluates the alternatives for remedial actions to abate the ground water, soil and sediment pollution on or emanating from the Site in accordance with the Remediation Standard Regulations (Regulations of Connecticut State Agencies, Sections 22a-133k-1 to k-3) and ARARs, including but not limited to any alternative specified by the Commissioner; states in detail the most expeditious schedule for performing each alternative subject to paragraph C.1.e. below; identifies any permits under sections 22a-32, 22a-42a, 22a-342, 22a-361, 22a-368 or 22a-430 of the Connecticut General Statutes that would be required to implement each alternative; and proposes a preferred alternative for the Site (i.e., the proposed Remedial Action Plan) with supporting justification therefor.

d. On or before 60 days from the date the Commissioner approves a final Remedial Action Plan for the Site, Respondent shall submit for the review and approval of the Commissioner a detailed plan and schedule to perform the approved remedial actions for ground water pollution only, including but not limited to a schedule for applying for and obtaining all permits and approvals required for such remedial actions, a schedule for the construction of such remedial measures, a schedule for the submission of a thorough and comprehensive report documenting that the remedial measures for ground water pollution only have been implemented as approved, and a schedule for performing any operation, inspection, or maintenance programs for such remedial measures. Such detailed plan shall also include a monitoring program (the "Ground Water Remediation Monitoring Plan") to determine the effectiveness of the approved remedial actions for ground water pollution only, and a schedule for performing the approved Ground Water Remediation Monitoring Plan.

e. On or before 60 days from the date when $3,900,000 in state funding towards the cost of remediating soil pollution on the Site that was not created or maintained by Respondent becomes available to Respondent, Respondent shall submit for the review and approval of the Commissioner a detailed plan and schedule to perform the approved remedial actions for soil and sediment pollution, including but not limited to a schedule for applying for and obtaining all permits and approvals required for such remedial actions, a schedule for the construction of such remedial measures, a schedule for the submission of a thorough and comprehensive report documenting that the remedial measures for soil and sediment pollution have been implemented as approved, and a schedule for performing any operation, inspection, or maintenance programs for such remedial measures. Such detailed plan shall also include a soil and surface water monitoring program (the "Soil and Surface Water Remediation Monitoring Plan") to determine the effectiveness of the approved remedial actions, and a schedule for performing the approved Soil and Surface Water Remediation Monitoring Plan.

f. Respondent shall perform the approved Remedial Action Plan in accordance with the detailed plans and schedules submitted and approved pursuant to paragraphs C.1.d., C.1.e. and C.5.

g. Respondent shall perform the approved Monitoring Plans to determine the effectiveness of the remedial actions in accordance with the approved schedule. If the approved remedial actions do not result in the prevention and abatement of soil, surface water and ground water pollution to the satisfaction of the Commissioner, additional remedial actions and measures for monitoring and reporting on the effectiveness of those actions shall be performed in accordance with a supplemental plan and schedule approved in writing by the Commissioner. Unless otherwise specified in writing by the Commissioner, the supplemental plan and schedule shall be submitted for the Commissioner's review and written approval following implementation of the Remedial Action Plan and the approved Monitoring Plans and on or before thirty days after written notice from the Commissioner that they are required.

h. Respondent shall perform the work and other actions specified in any supplemental plan submitted and approved pursuant to paragraphs C.1.g. and C.5. in accordance with the approved schedule. Within 45 days after completing all remedial actions, Respondent shall provide a thorough and comprehensive report documenting and certifying to the Commissioner that the remedial actions have been completed as approved, and that the remedial actions have achieved compliance with the Remediation Standard Regulations and all requirements of this Consent Order.

2. Progress reports. On or before the last day of even numbered months following the effective date of this Consent Order, and continuing during remedial activities required under paragraphs C.1.d., C.1.e. and C.5., until one year after the construction of all remedial activities has been completed as submitted and approved by the Commissioner pursuant to paragraphs C.1.d., C.1.e. and C.5., Respondent shall submit a progress report to the Commissioner and EPA describing the actions which Respondent has taken to comply with the Consent Order to date, including the results of the monitoring program to determine the effectiveness of the remedial actions, when implemented. Additional reporting concerning the effectiveness of the remedial measures, including whether the remedy is protective of human health and the environment, shall be submitted in accordance with the schedule approved pursuant to paragraphs C.1.d., C.1.e., C.1.g., and C.5. The frequency of such reporting shall not be less than every 5 years, if the remedial action results in hazardous substances, pollutants, or contaminants remaining at the Site above levels that allow for unlimited use and unrestricted exposure.

3. Full compliance. Respondent shall not be considered in full compliance with this Consent Order until the remedial actions have been completed as approved and to the satisfaction of the Commissioner, and all soil, surface water and ground water pollution which is on, is emanating from or emanated from the Site and their sources have been abated to the satisfaction of the Commissioner, in accordance with the Remediation Standard Regulations, ARARs and all other applicable Statutes and Regulations.

4. Sampling and sample analyses. All sampling and sample analyses that are required by this Consent Order and all reporting of such sample analyses shall be done by a laboratory certified by the Connecticut Department of Public Health for such analyses. All sampling and sample analyses performed under this Consent Order shall be performed in accordance with procedures specified or approved in writing by the Commissioner, or, if no such procedures have been specified or approved, in accordance with 40 CFR Part 136. Unless otherwise specified by the Commissioner in writing, the value of each parameter shall be reported to the Analytical Detection Limit as defined in R.C.S.A. § 22a-133k-1(a)(1).

5. Approvals. Respondent shall use best efforts to submit to the Commissioner and to EPA all documents required by this Consent Order in a complete and approvable form. If the Commissioner, after reasonable opportunity for review and comment by EPA, notifies the Respondent that any document or other action is deficient, and does not approve it with conditions or modifications, it is deemed disapproved, and Respondent shall correct the deficiencies and resubmit it within the time specified by the Commissioner or, if no time is specified by the Commissioner, within thirty days of the Commissioner's notice of deficiencies. In approving any document or other action under this Consent Order, the Commissioner may approve the document or other action as submitted or performed or with such conditions or modifications as the Commissioner deems necessary to carry out the purposes of this Consent Order. Nothing in this paragraph shall be deemed to excuse noncompliance or delay.

6. Definitions. As used in this Consent Order, "Commissioner" means the Commissioner or an agent of the Commissioner. "EPA" means the US Environmental Protection Agency, or a duly authorized employee or agent of the US Environmental Protection Agency.

7. Dates. The date of submission to the Commissioner of any document required by this Consent Order shall be the date such document is received by the Commissioner. The date of any notice by the Commissioner under this Consent Order, including but not limited to notice of approval or disapproval of any document or other action, shall be the date such notice is personally delivered or the date three days after it is mailed by the Commissioner, whichever is earlier. Except as otherwise specified in this Consent Order, the work "day" as used in this Consent Order means calendar day. Any document or action which is required by this Consent Order to be submitted or performed by a date which falls on a Saturday, Sunday or a Connecticut or federal holiday shall be submitted or performed on or before the next day which is not a Saturday, Sunday or Connecticut or federal holiday.

8. Notification of noncompliance. In the event that Respondent becomes aware that it did not or may not comply, or did not or may not comply on time, with any requirement of this Consent Order or of any document required hereunder, Respondent shall immediately notify the Commissioner and EPA and shall take all reasonable steps to ensure that any noncompliance or delay is avoided or, if unavoidable, is minimized to the greatest extent possible. In so notifying the Commissioner and EPA, Respondent shall state in writing the reasons for the noncompliance or delay and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved, and Respondent shall comply with any dates which may be approved in writing by the Commissioner. Notification by Respondent shall not excuse noncompliance or delay, and the Commissioner's approval specifically so stated by the Commissioner in writing.

9. Certification of documents. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this Consent Order shall be signed by a responsible corporate officer of the Respondent or a duly authorized representative of such officer, as those terms are defined in section 22a-430-3(b)(2) of the Regulations of Connecticut State Agencies and by the individual or individuals responsible for actually preparing such document, each of whom shall certify in writing as follows: "I have personally examined and am familiar with the information submitted in this document and all attachments and certify that based on reasonable investigation, including my inquiry of those individuals responsible for obtaining the information, the submitted information is true, accurate and complete to the best of my knowledge and belief, and I understand that any false statement made in this document or its attachments may be punishable as a criminal offense in accordance with applicable laws and regulations."

10. Noncompliance. This Consent Order is a final order of the Commissioner with respect to the matters addressed herein, and is non-appealable and enforceable subject to section B. of this Consent Order. Failure to comply with this Consent Order may subject Respondent to an injunction and penalties under Chapters 439, and 445 or 446k of the Connecticut General Statutes.

11. False statements. Any false statement in any information submitted pursuant to this Consent Order may be punishable as a criminal offense under Section 22a-438 or 22a-131a of the Connecticut General Statutes or, in accordance with Section 22a-6, under Section 53a-157b of the Connecticut General Statutes.

12. Commissioner's powers. Nothing in this Consent Order shall affect the Commissioner's authority to institute any proceeding or take any other action to prevent or abate violations of law, prevent or abate pollution, recover costs and natural resource damages, and to impose penalties for violations of law, including but not limited to violations of any permit issued by the Commissioner. If at any time the Commissioner determines that the actions taken by Respondent pursuant to this Consent Order have not fully characterized the extent and degree of pollution or have not successfully abated or prevented pollution, the Commissioner may institute any proceeding to require Respondent to undertake further investigation or future action to prevent or abate pollution.

13. Access to Site. If the Site, or any other property where access is needed to implement this Consent Order, is owned or controlled by persons other than Respondent, Respondent shall use best efforts, including the payment of reasonable sums of money in consideration of securing access, to secure access to the Site from such persons for Respondent, the State and EPA.

14. Respondent's obligations under law. Nothing in this Consent Order shall relieve Respondent of other obligations under applicable federal, state and local law.

15. No assurance by Commissioner. No provision of this Consent Order and no action or inaction by the Commissioner shall be construed to constitute an assurance by the Commissioner that the actions taken by Respondent pursuant to this Consent Order will result in compliance or prevent or abate pollution.

16. No effect on rights of other persons. This Consent Order shall neither create nor affect any rights of persons who or municipalities which are not parties to this Consent Order, including, but not limited to, the following activities: (1) verifying the data or information submitted to the State and EPA; and (2) assessing Respondent's compliance with this Consent Order or the approved Remedial Action Plan.

17. Notice to Commissioner of changes. Within fifteen days of the date Respondent becomes aware of a change in any information submitted to the Commissioner under this Consent Order, or that any such information was inaccurate or misleading or that any relevant information was omitted, Respondent shall submit the correct or omitted information to the Commissioner and to EPA.

18. Submission of documents. Respondent shall submit any document required to be submitted to the Commissioner under this Consent Order simultaneously to the U. S. EPA. Such documents shall, unless otherwise specified in writing by the Commissioner, be directed to:

Mr. Maurice Hamel
Department of Environmental Protection
Waste Management Bureau
Remediation Section
79 Elm Street
Hartford, Connecticut 06106-5127

and

Ms. Anni Loughlin
Office of Site Remediation and Restoration
US Environmental Protection Agency - New England Region
1 Congress Street
Suite 1100 (HBT)
Boston, Massachusetts 02114-2023

19. The effective date of this Consent Order, once fully executed, is the date of transfer of all interests in the Site, including ownership interests of the twenty-one condominium units and these units' mill building and associated common property. The Respondent shall provide the Commissioner and EPA with copies of the deeds evidencing the transfer of all interests in the Site.

20. Respondent consents to the issuance of this Consent Order without further notice. The undersigned Signatories certify that they are fully authorized to enter into this Consent Order and to legally bind the Respondent to the terms and conditions of the Consent Order.

RESPONDENT

November 4, 2003
Date

Michael A. Monts
Vice President and General Counsel
Hamilton Sundstrand Corporation

Issued as a final order of the Commissioner of the Department of Environmental Protection.

November 19, 2003
Date

Arthur J. Rocque, Jr.
Commissioner

ORDER NO. SRD-154
DISCHARGE CODE H
TOWN OF EAST WINDSOR
LAND RECORDS

HAMILTON SUNDSTRAND CORPORATION

ASSISTANT SECRETARY'S CERTIFICATE

THE UNDERSIGNED, Antonio Braz, Assistant Secretary of HAMILTON SUNDSTRAND CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. Pursuant to a Unanimous Consent of Directors of the Corporation dated September 3, 1999 (the "Consent"), Michael A. Monts, acting in his capacity as Vice President, General Counsel & Secretary of the Corporation, is authorized to execute certain contracts, agreements, instruments and documents (including modifications thereto) as he may deem necessary and proper to carry-out the business of the Corporation.

2. Pursuant to the aforesaid Consent, Michael A. Monts, in his capacity as Vice President of the Corporation, has authority to execute that certain Consent Order in the matter of the State of Connecticut v. Hamilton Sundstrand, a subsidiary of United Technologies Corporation, concerning certain real property located at Brookside Drive and 110-112 Main Street, East Windsor.

IN WITNESS WHEREOF, the undersigned has executed the Certificate as of the 10th day of November, 2003.

Antonio Braz, Assistant Secretary

Appendix B

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 1—EPA NEW ENGLAND

In the Matter of:	
Broad Brook Mill Superfund Site, East Windsor, Connecticut,	**AGREEMENT FOR RECOVERY OF PAST AND FUTURE RESPONSE COSTS**
Hamilton Sundstrand Corporation, Settling Party,	
Proceeding under Section 122(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9622(h)(1)	U.S. EPA Region 1 Docket No. CERCLA-01-2003-0014

I. JURISDICTION

1. This Agreement is entered into pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 122(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9622(h)(1) and Executive Order 12580, 52 Fed. Reg. 2926 (January 29, 1987), whose authority has been delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-D (May 11, 1994) and further delegated to the Director of the Office of Site Remediation and Restoration by Region 1 delegations (June 30, 1995 and September 3, 1996).

2. This Agreement is made and entered into by EPA and the Hamilton Sundstrand Corporation ("Hamilton Sundstrand" or "Settling Party"). The Settling Party consents to and will not contest EPA's jurisdiction to enter into this Agreement or to implement or enforce its terms.

II. BACKGROUND

3. This Agreement concerns the Broad Brook Mill Superfund Site (the "Site") located in East Windsor, Connecticut. The Site was previously identified as the Millbrook Condominiums Site. EPA alleges that the Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

4. On December 1, 2000, EPA proposed the Site for listing to the Superfund National Priorities List ("NPL").

5. In response to the release or threatened release of hazardous substances at or from the Site, EPA undertook response actions at the Site pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604. These response actions included EPA's initiation of Removal Site Investigation in December 1999, which documented the presence of volatile organic compounds ("VOCs") in ground water, and soil gas and polycyclic aromatic hydrocarbons ("PAHs") in exposed surface soils. They also included EPA's oversight of the Settling Party's performance of a voluntary removal action, from May 2001 through July 2001, which consisted of the installation of interim soil cover materials around the 21-unit condominium building and asbestos abatement activities in the former boiler building.

6. In performing these response actions, EPA incurred response costs at or in connection with the Site.

7. On or about the date of entry of this Agreement, EPA and the Connecticut Department of Environmental Protection (the "State") have entered or will enter into a Deferral Agreement whereby EPA has agreed or will agree to defer the process of finalizing the listing of the Site to the NPL in favor of a cleanup under the authority of the State's statutory, regulatory and administrative provisions. Once the necessary response actions at the Site are successfully completed, EPA will have no further interest in finalizing the NPL listing for the Site, unless EPA receives new information of a release or potential release that poses a significant threat to human health or the environment which is not adequately addressed under State authority. If EPA determines that the response is not CERCLA-protective, is unreasonably delayed, or does not adequately address the affected community's concerns, then EPA can terminate the Deferral Agreement, finalize the NPL listing, and address the Site under the EPA Superfund program.

8. On or about the date of entry of this Agreement, the State has issued or will issue an enforceable Consent Order, whereby the Settling Party and possibly additional parties will perform, among other things, the remedial action at the Site.

9. In order to ensure adequate remediation of the Site under State authority, EPA will incur response costs at or in connection with the Site, including but not limited to oversight costs.

10. EPA alleges that the Settling Party is a responsible party pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and is jointly and severally liable for response costs incurred and to be incurred at or in connection with the Site.

11. EPA has determined that the total past and projected response costs of the United States at or in connection with the Site will not exceed $500,000, excluding interest.

12. EPA and the Settling Party desire to resolve the Settling Party's alleged civil liability for

Past Response Costs and Future Response Costs without litigation and without the admission or adjudication of any issue of fact or law.

III. PARTIES BOUND

13. This Agreement shall be binding upon EPA and upon the Settling Party and its successors and assigns. Any change in ownership or corporate or other legal status of the Settling Party, including but not limited to, any transfer of assets or real or personal property, shall in no way alter the Settling Party's responsibilities under this Agreement. Each signatory to this Agreement certifies that he or she is authorized to enter into the terms and conditions of this Agreement and to bind legally the party represented by him or her.

IV. DEFINITIONS

14. Unless otherwise expressly provided herein, terms used in this Agreement which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Agreement, the following definitions shall apply:

a. "Agreement" shall mean this Agreement and any attached appendices. In the event of conflict between this Agreement and any appendix, the Agreement shall control.

b. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*

c. "Day" shall mean a calendar day. In computing any period of time under this Agreement, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

d. "Deferral Agreement" shall mean the Deferral Agreement relating to the Site signed, on or about the date of entry of this Agreement, by the Regional Administrator of EPA Region 1 and the Commissioner of the Connecticut Department of Environmental Protection, as well as any modifications made in accordance with the Deferral Agreement.

e. "Effective Date" shall mean the effective date of this Agreement as defined in Section XVII of this Agreement.

f. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities of the United States.

g. "Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States incurs in reviewing or developing plans, reports and other items pursuant to the Deferral Agreement, verifying and overseeing response actions performed pursuant to the Deferral Agreement, providing grants related to the response actions performed pursuant to the Deferral Agreement, or otherwise implementing, overseeing, or enforcing the Deferral Agreement, including but not limited to, payroll costs, contractor costs, travel costs, and laboratory costs. Future Response Costs shall also include all Interim Response Costs and all Interest on the Past Response Costs the Settling Party has agreed to reimburse under this Agreement that has accrued pursuant to 42 U.S.C. § 9607(a) during the period from December 17, 2002 to the date of payment of the Past Response Costs.

h. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on September 30 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

i. "Interim Response Costs" shall mean all costs, including direct and indirect costs paid by the United States in connection with the Site between December 17, 2002 and the Effective Date.

j. "Paragraph" shall mean a portion of this Agreement identified by an arabic numeral or a lower case letter.

k. "Parties" shall mean EPA and the Settling Party.

l. "Past Response Costs" shall mean all costs, including but not limited to direct and indirect costs, that EPA paid at or in connection with the Site through December 17, 2002, plus Interest on all such costs through such date.

m. "Section" shall mean a portion of this Agreement identified by a roman numeral.

n. "Settling Party" shall mean the Hamilton Sundstrand Corporation.

o. "Site" shall mean the Broad Brook Mill Superfund Site, previously identified as the Millbrook Condominiums Site, which is located in the Broad Brook section of East Windsor, Hartford County, Connecticut, and bordered approximately by a stream (Broad Brook) to the north, Broad Brook and townhouses to the west, Mill Street to the south, and Main Street to the east, and which includes a former industrial mill building converted into a 21-unit condominium building, Brookside Drive (the driveway to the 21-unit condominium building), and the grounds

that surround the building.

p. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

q. "Waste Material" shall mean: 1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); 2) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); 3) any "solid waste" under Section 1004(27) of the Solid Waste Disposal Act, as amended, 42 U.S.C. § 6903(27); and 4) any "hazardous waste" under Section 22a-115 of the Connecticut General Statutes.

V. PAYMENT OF RESPONSE COSTS

15. Payment for Past Response Costs.

a. Within 30 days of the Effective Date, the Settling Party shall pay EPA $322,301.88 in reimbursement of Past Response Costs. Payment shall be made to EPA by a certified or cashier's check made payable to "EPA Hazardous Substance Superfund," and shall be accompanied by a statement identifying the name and address of the Settling Party making payment, the Site name, the Site/Spill ID No. 017M, and U.S. EPA Region 1 Docket No. CERCLA-01-2003-0014. The Settling Party shall send the check to:

EPA - Region 1, Attn: Superfund Accounting
P.O. Box 360197M
Pittsburgh, PA 15251

b. At the time of payment, the Settling Party shall send notice that such payment has been made to:

Financial Management Officer
Office of Administration and Resource Management
U.S. Environmental Protection Agency
Region 1 - EPA New England
One Congress Street, Suite 1100 (MCO)
Boston, MA 02114-2023

c. The total amount to be paid by the Settling Party pursuant to Paragraph 15(a) shall be deposited in the Broad Brook Mill Superfund Site Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance

Superfund.

16. Payments for Future Response Costs.

a. The Settling Party shall pay EPA all Future Response Costs not inconsistent with the National Contingency Plan ("NCP"), 40 C.F.R. Part 300. On a periodic basis, but not before September 1, 2004, EPA will send the Settling Party a bill requiring payment that consists of a summary of costs incurred during the preceding period; the summary will include a breakdown of costs by category, including payroll, travel, indirect costs, and contracts. The Settling Party shall make all payments within forty-five (45) days of receipt of each bill requiring payment, except as otherwise provided in Paragraph 17 of this Agreement.

b. The Settling Party shall make each payment required by this Paragraph by a certified or cashier's check made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the Settling Party making payment, the Site name, the Site/Spill ID No. 017M, and U.S. EPA Region 1 Docket No. CERCLA-01-2003-0014. The Settling Party shall send each check to:

EPA - Region 1
Attn: Superfund Accounting
P.O. Box 360197M
Pittsburgh, PA 15251

c. At the time of payment, the Settling Party shall send notice that payment has been made to:

Financial Management Officer
Office of Administration and Resource Management
U.S. Environmental Protection Agency
Region 1 - EPA New England
One Congress Street, Suite 1100 (MCO)
Boston, MA 02114-2023

d. The total amount to be paid by the Settling Party pursuant to Paragraph 16(a) shall be deposited in the Broad Brook Mill Superfund Site Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

17. The Settling Party may, in accordance with Section VI of this Agreement, dispute all or

part of a bill for Future Response Costs submitted under this Agreement, if the Settling Party alleges that EPA has made an accounting error, or if the Settling Party alleges that a cost item is inconsistent with the NCP. If any dispute over costs is resolved before payment is due, the amount due will be adjusted as necessary. If the dispute is not resolved before payment is due, the Settling Party shall pay the full amount of the uncontested costs to EPA as specified in Paragraph 16 on or before the due date. Within the same time period, the Settling Party shall pay the full amount of the contested costs into an interest-bearing escrow account. The Settling Party shall simultaneously transmit a copy of both checks to the person listed in Paragraph 16(c) above. The Settling Party shall ensure that the prevailing party or parties in the dispute shall receive the amount upon which they prevailed from the escrow funds plus interest within fifteen (15) days after the dispute is resolved.

VI. DISPUTE RESOLUTION

18. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Agreement. The Parties shall attempt to resolve any disagreements concerning this Agreement expeditiously and informally.

19. If the Settling Party objects to any EPA billings for Future Response Costs, it shall notify EPA in writing of its objection(s) within thirty (30) days of receipt of the bill, unless the objection(s) has/have been resolved informally. EPA and the Settling Party shall have thirty (30) days from EPA's receipt of the Settling Party's written objection(s) to resolve the dispute through formal negotiations (the "Negotiation Period"). The Negotiation Period may be extended at the sole discretion of EPA.

20. Any agreement reached by the parties pursuant to this Section shall be in writing and shall, upon signature by both parties, be incorporated into and become an enforceable part of this Agreement. If the Parties are unable to reach an agreement within the Negotiation Period, the Director of the Office of Site Remediation and Restoration, EPA Region 1 - EPA New England, will issue a written decision on the dispute to the Settling Party. EPA's decision shall be incorporated into and become an enforceable part of this Agreement.

VII. FAILURE TO COMPLY WITH AGREEMENT

21. Interest on Late Payments. In the event that the payment for Past Response Costs is not made within thirty (30) days of the Effective Date, or the payments for Future Response Costs are not made within forty-five (45) days of the Settling Party's receipt of a bill, the Settling Party shall pay Interest on the unpaid balance. The Interest on Past Response Costs shall continue to accrue on the unpaid balance through the date of payment. The Interest on Future Response

Costs shall begin to accrue on the date of the bill and shall continue to accrue until the date of payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of the Settling Party's failure to make timely payments under this Section, including but not limited to, payment of stipulated penalties pursuant to Paragraph 22.

22. Stipulated Penalties for Late Payments.

a. If any amounts due to EPA under Paragraphs 15 or 16 are not paid by the required date, the Settling Party shall pay to EPA, as a stipulated penalty, in addition to the Interest required by Paragraph 21, $750 per violation per day that such payment is late.

b. Stipulated penalties are due and payable within thirty (30) days of the date of demand for payment of the penalties. All payments to EPA under this Paragraph shall be identified as "stipulated penalties" and shall made in accordance with Paragraphs 16(b) and 16(c).

c. Penalties shall accrue as provided above regardless of whether EPA has notified the Settling Party of the violation or made a demand for payment, but need only be paid upon demand. All penalties shall begin to accrue on the day after performance is due, or the day a violation occurs, and shall continue to accrue through the final day of correction of the noncompliance or completion of the activity. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Agreement.

23. In addition to the Interest and stipulated penalty payments required by this Section and any other remedies or sanctions available to EPA by virtue of the Settling Party's failure to comply with the requirements of this Agreement, the Settling Party shall be subject to an enforcement action pursuant to Section 122(h)(3) of CERCLA, 42 U.S.C. § 9622(h)(3). If the United States, on behalf of EPA, brings an action to enforce this Agreement, the Settling Party shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.

24. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Agreement.

VIII. COVENANT NOT TO SUE BY EPA

25. In consideration of the payments that will be made by the Settling Party under the terms of this Agreement, and except as specifically provided in Paragraph 26 (Reservations of Rights by EPA), EPA covenants not to sue the Settling Party pursuant to Section 107(a) of CERCLA, 42

U.S.C. § 9607(a), for recovery of Past Response Costs and Future Response Costs, subject to Section XV of this Agreement. This covenant not to sue shall take effect upon receipt by EPA of all amounts required by Section V (Payment of Response Costs) and Section VII, Paragraphs 21 (Interest on Late Payments) and 22 (Stipulated Penalties for Late Payments), subject to Section XV of this Agreement. This covenant not to sue is conditioned upon the satisfactory performance by the Settling Party of its obligations under this Agreement. This covenant not to sue extends only to the Settling Party and does not extend to any other person.

IX. RESERVATIONS OF RIGHTS BY EPA

26. The covenant not to sue by EPA set forth in Paragraph 25 does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Agreement is without prejudice to, all rights against the Settling Party with respect to all other matters, including but not limited to:

a. liability for failure of the Settling Party to meet a requirement of this Agreement;

b. liability for costs incurred or to be incurred by the United States that are not within the definition of Past Response Costs or Future Response Costs, including but not limited to costs incurred if the Deferral Agreement is terminated;

c. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. § 9606;

d. criminal liability;

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

f. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside of the Site; and

g. liability for costs incurred or to be incurred by the Agency for Toxic Substances and Disease Registry related to the Site.

27. Nothing in this Agreement is intended to be nor shall it be construed as a release, covenant not to sue, or compromise of any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the United States may have against any person, firm, corporation or other entity not a signatory to this Agreement.

X. COVENANT NOT TO SUE BY THE SETTLING PARTY

28. The Settling Party agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Past Response Costs, Future Response Costs (subject to Section XV of this Agreement), or this Agreement, including but not limited to:

a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claim arising out of response actions at or in connection with the Site, including any claim under the United States Constitution, the Connecticut Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; and

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.

29. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

30. The Settling Party agrees not to assert any claims and to waive all claims or causes of action that it may have for all matters relating to the disposal, release, or threat of release of Waste Materials at the Site which occurred prior to the Effective Date, including for contribution with respect to Past Response Costs, Future Response Costs (subject to Section XV of this Agreement), or this Agreement, against the Millbrook Owners' Association, Inc. and the individual owners of the condominium units.

XI. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

31. Except as provided in Paragraph 30, nothing in this Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Agreement. Except as provided in Paragraph 30, EPA and the Settling Party each reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.

32. EPA and the Settling Party agree that the actions undertaken by the Settling Party in accordance with this Agreement do not constitute an admission of any liability by the Settling

Party. The Settling Party does not admit, and retains the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Agreement, the validity of the facts or allegations contained in Section II of this Agreement.

33. The Parties agree that the Settling Party is entitled, as of the Effective Date, subject to Section XV of this Agreement, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Agreement. The "matters addressed" in this Agreement are Past Response Costs and Future Response Costs.

34. The Settling Party agrees that with respect to any suit or claim for contribution brought by it for matters related to this Agreement, it will notify EPA in writing no later than sixty (60) days prior to the initiation of such suit or claim. The Settling Party also agrees that, with respect to any suit or claim for contribution brought against it for matters related to this Agreement, it will notify EPA in writing within ten (10) days of service of the complaint or claim upon it. In addition, the Settling Party shall notify EPA within ten (10) days of service or receipt of any Motion for Summary Judgment and within ten (10) days of receipt of any order from a court setting a case for trial, for matters related to this Agreement.

35. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other appropriate relief relating to the Site, the Settling Party shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, *res judicata*, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the covenant not to sue by EPA set forth in Paragraph 25.

36. Pursuant to the Deferral Agreement (and as discussed in Paragraph 7 above), EPA may continue the Federal rule-making process for finalizing listing of the Site on the NPL if, upon termination of the Deferral Agreement, EPA determines the response action not to be CERCLA-protective. The Settling Party agrees to waive its right to challenge such a final NPL listing.

XII. RETENTION OF RECORDS

37. Until twenty (20) years after the Effective Date, the Settling Party shall preserve and retain all records and documents now in its possession or control, or which come into its possession or control, that relate in any manner to response actions taken at the Site or to the liability of any person for response actions conducted and to be conducted at the Site, regardless of any corporate retention policy to the contrary.

38. After the conclusion of the document retention period in the preceding Paragraph, the Settling Party shall notify EPA at least ninety (90) days prior to the destruction of any such records or documents, and, upon request by EPA, the Settling Party shall deliver any such records or documents to EPA. The Settling Party may assert that certain documents, records, or other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Settling Party asserts such a privilege, it shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted. However, no documents, reports, or other information created or generated pursuant to the requirements of this or any other judicial or administrative settlement with the United States shall be withheld on the grounds that they are privileged. If a claim of privilege applies only to a portion of a document, the document shall be provided to EPA in redacted form to mask the privileged information only. The Settling Party shall retain all records and documents that they claim to be privileged until EPA has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in the Settling Party's favor.

XIII. NOTICES AND SUBMISSIONS

39. Whenever, under the terms of this Agreement, notice is required to be given or a document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of this Agreement with respect to EPA and the Settling Party.

As to EPA:

Man Chak Ng
Senior Enforcement Counsel
Office of Environmental Stewardship
U.S. Environmental Protection Agency
Region 1 - EPA New England
One Congress Street, Suite 1100 (SES)
Boston, MA 02114-2023

and

Anni Loughlin
Remedial Project Manager
Office of Site Remediation and Restoration
U.S. Environmental Protection Agency
Region 1 - EPA New England
One Congress Street, Suite 1100 (HBT)
Boston, MA 02114-2023

As to the Settling Party:

Ellen Quinn
United Technologies Corporation
One Financial Plaza
Hartford, CT 06101

XIV. INTEGRATION

40. This Agreement constitutes the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Agreement.

XV. CONTINGENCIES

41. If EPA or the State voids the Deferral Agreement, as a result of the ownership interests of the twenty-one condominium units and these units' mill building and associated common property failing to be transferred by September 1, 2004, then:

a. the Settling Party is not obligated to pay for Future Response Costs;

b. EPA would reserve, and this Agreement would be without prejudice to, all rights against the Settling Party with respect to Future Response Costs;

c. the Settling Party would reserve, and this Agreement would be without prejudice to, all claims or causes of action against the United States, or its contractors or employees, with respect to Future Response Costs;

d. the Settling Party would reserve, and this Agreement would be without prejudice to, all claims or causes of action against the Millbrook Owners' Association, Inc. and the individual owners of the condominium units with respect to Future Response Costs; and

e. the Settling Party's covenant not to sue (Section X) and protection from contribution actions or claims (Section XI) would not apply to Future Response Costs.

XVI. PUBLIC COMMENT

42. This Agreement shall be subject to a public comment period of not less than thirty (30) days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, EPA may modify or withdraw its consent to this Agreement if comments received disclose facts or considerations which indicate that this Agreement is inappropriate, improper or inadequate.

XVII. EFFECTIVE DATE

43. The effective date of this Agreement shall be the date upon which EPA issues written notice that the public comment period pursuant to Paragraph 42 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Agreement.

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IT IS SO AGREED:

U.S. ENVIRONMENTAL PROTECTION AGENCY

By: Susan Studlien December 5, 2003

Susan Studlien
Director
Office of Site Remediation and Restoration
EPA Region 1 - EPA New England

Date

THE UNDERSIGNED SETTLING PARTY enters into this Agreement in the matter of U.S. EPA Region 1 Docket No. CERCLA-01-2003-0014, relating to the Broad Brook Mill Superfund Site:

FOR THE SETTLING PARTY
HAMILTON SUNDSTRAND CORPORATION:

By: _____ November 4, 2003
Michael A. Monts Date
Vice President, Secretary & General Counsel
Hamilton Sundstrand Corporation